

MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE

April 6, 2007

A regular meeting of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California was held in Los Angeles, California at the Los Angeles Airport Marriott on April 6, 2007. Attendance was as follows:

MEMBERS PRESENT:

Nelson Crandall
Edward A. Deibert
Christopher Delfino
Bruce Deming
Samuel C. Dibble
Michael J. Froch
Matthew Gemello
Steve Harmon
Nina Hong*
William R. Sawyers*
Lemoine Skinner, III*
Jennifer Sostrin
Steven Stokdyk*
James J. Thompson*
Suzanne Weakley*
Russ Wood

MEMBERS ABSENT:

W. Derrick Britt
Peter Heinecke
Sharon R. Flanagan
Brian Lebrecht
Barbara Mathews
Mike Occhiolini
Rose Sorensen
Deborah Rousch
Peter Wardle

LIAISONS AND GUESTS PRESENT:

Betsy Bogart – Secretary of State
Andrew Pettilon – Securities and Exchange Commission*
Steve Hazen – Executive Committee
Larry Doyle – Office of Governmental Affairs*
Marte Castaños - CALPERS

*Via Telephone

The minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.

I. ADMINISTRATIVE MATTERS

1. Opening Remarks: The meeting was called to order by Co-Chairs Deming and Wood at 9:30. All members, liaisons and guests introduced themselves. Mr. Deming encouraged members to serve as officers for the upcoming 2007-2008 Committee term, and requested interested members to contact him.

2. Approval of minutes: Minutes of March 2 meeting approved, subject to minor comments.

II. AGENCY AND LIAISON'S REPORTS

1. Securities and Exchange Commission: Mr. Petillon reported. SEC re-designated certain offices as regional offices.

2. Department of Corporations: No report.

3. Secretary of State ("SOS"): Ms. Bogart reported. Portions of UCC website down in order for SOS to redact social security numbers. SOS will reject all filings going forward which contain social security numbers. SOS has submitted certain proposed changes to SB 294 (corporate disclosure statement). Ms. Bogart circulated proposed regulations which would serve as guidelines in connection with checking name availability. Committee will provide a copy of the regulations to LLC and partnership subcommittees for the state bar.

4. Office of Governmental Affairs: Mr. Doyle reported that there is nothing to report other than SB 294 which will be covered later in the meeting.

5. BLS Committee Liaison Reports:

A. ADR: No report.

B. Corporate Law Departments: No report.

C. Cyberspace Law: Mr. Thompson reported that the Cyberspace Law Committee did not meet last month.

D. Financial Institutions: No report.

E. Non-Profit Corporations: Mr. Sawyers reported that the Non-Profit Corporations Committee recently met and discussed upcoming speaker series, as well as comments to AB624.

F. Partnerships and LLCs: No report.

G. UCC: Ms. Hong reported that the UCC Committee did not meet last month.

H. Executive Committee: Mr. Hazen reported that the Executive Committee held a long range planning meeting. Discussed importance of succession of standing committee members and continued efforts to solicit applications, including applications to serve on the Executive Committee. Ms. Weakley's moved for the Executive Committee pay for copies of the Handbook for Organizing California Corporations for the authors of the same, which motion was approved by the Committee.

III. SUBCOMMITTEE REPORTS

1. Legislation: Mr. Harmon reported.

A. ALP re Close Corps: Mr. Wood reported that the drafting committee met via telephone twice and are currently in the process of preparing another draft of the ALP.

B. New Legislation Update:

(i) AB 251: Mr. Gemello reported on the Subcommittee's preparation of a comment letter opposing the bill, presented for the Committee's review. Upcoming Assembly Banking & Financing Committee hearing on April 30, 2007. Additional comments solicited on the draft opposition letter. Mr. Hazen to facilitate expedited Executive committee review and comment, and approval of the opposition letter for submission to the Assembly.

(ii) SB 294 Corporate Disclosure Act: Mr. Deming reported. Ms. Bogart indicated that the SOS has no official position in respect of the bill, notwithstanding certain additional comments provided by the SOS. Mr. Deming noted that opposition received from Senator Corbett, Chair of the Senate Judiciary Committee, which should be addressed. Discussion ensued. Mr. Doyle recommended he arrange a conference call between himself, the Senate Committee staff, two members of the Committee and Ms. Bogart.

(iii) AB 299: Mr. Skinner reviewed technical correction and agreed that proposed change was appropriate. Bill passed by Assembly Judiciary Committee on March 27, 2007.

(iv) AB 1583: Mr. Skinner reported. Draft comment letter to be circulated before next month's Committee meeting.

(iv) Others: Mr. Harmon discussed several other bills. Ms. Bogart discussed 110(b) letters in connection with disputed filings with the SOS.

C. Proposed Topic for New ALPs:

(i) Spousal Consents: No report.

(ii) Section 1101 (mergers): Mr. Dibble reported. Comments solicited on draft ALP provided for Committee review and consideration/approval at the Committee's upcoming May meeting.

2. Communications/ Website: Mr. Delfino reported.

A. E-Bulletin Topics:

(i) March: FRE 502: E-Bulletin prepared and is pending publication. Mr. Delfino to inquire as to status.

(ii) April: Misleading Minute Service: No report.

(iii) May: Compensatory Benefit Regulations: Awaiting response from Department of Corporations concerning regulations.

(iv) June: Select Topic: Ms. Weakley suggested that we advertise the Handbook in an upcoming E-Bulletin. Another request made to solicit Committee member applications. Mr. Delfino volunteered to prepare the same.

B. Website Update: In process of being updated. Mr. Delfino noted that the goal is to reference all current and prior E-Bulletins. Additional suggestions solicited.

C. Extranet: Mr. Delfino prepared memo concerning collaboration site and will circulate the memo to all Committee members. Mr. Hazen encouraged the Committee to take action on this matter before April 13 to insure placement on the Executive Committee agenda.

3. Education/ Publications: Ms. Hong reported.

A. Programs:

(i) September 2007 Annual Meeting: Two of the Committee's programs have been selected, namely, recent corporate developments and changes to securities regulations governing compensatory benefit plans).

B. Publications/BLN Article:

(i) Request for Topics:

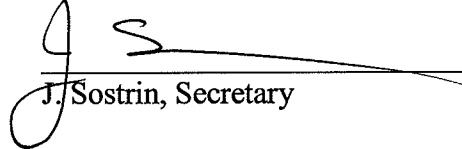
4. Litigation: Mr. Deibert reported on two recent cases, namely, (i) Dux Capital Management v. Yageo Corp. and (ii) In Re Netsmart Technologies, Inc.

IV. ONGOING PROJECTS:

1. Section 2115 Project:
2. Business Entity Name Issues: Previously discussed.
4. 25102(o) Reform:
5. Privilege Issues:
 - A. ABA Task Force on Attorney-Client Privilege:
 - B. Office of Rural Legal Assistance: Mr. Hazen reported.
6. Venture Capital Opinion Project:

V. New Business: No report.

Respectfully Submitted,


J. Sostrin, Secretary

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